

## Message Text

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20

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 EUR-25 ABF-01 FS-01 OPR-02 A-01

SS-20 NSC-07 AID-20 CIAE-00 COME-00 FRB-03 INR-11

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03

LAB-06 SIL-01 OMB-01 DRC-01 /154 W

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R 272050Z SEP 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 460

LIMITED OFFICIAL USE SANTIAGO 5901

EO 11652: NA

TAGS: EFIN, AFSP, CI

SUBJ: DEVALUATION OF EXCHANGE RATE

BEGIN UNCLASSIFIED

1. EFFECTIVE SEPTEMBER 27 CENTRAL BANK DEVALUED BANKERS  
RATE FROM 1050 TO 1100 ESCUDOS PER DOLLAR AND THE BROKERS  
RATE FROM 1110 TO 1180 ESCUDOS PER DOLLAR.

2. DEVALUATION IS 4.7 PERCENT FOR BANKERS RATE AND 6.3  
PERCENT FOR BROKERS RATE WITH NOMINAL DIFFERENCE BETWEEN THE  
TWO NOW 7.3 PERCENT.

3. AT THE SAME TIME CENTRAL BANK HAS RAISED AMOUNT OF  
DOLLARS TRAVELERS TO NON-CONTIGUOUS LATIN AMERICAN COUNTRIES  
MAY PURCHASE FROM \$360 TO \$500. TRAVELERS GOING TO US,  
CANADA AND EUROPE MAY NOW PURCHASE UP TO \$2,000 AS COMPARED  
TO PREVIOUS LIMITATION OF \$720. END UNCLASSIFIED.

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4. BLACK MARKET EXCHANGE RATE IS NOW ABOUT 1500 ESCUDOS PER  
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DOLLAR.

5. COMMENT. WE EXPECT THAT RAISING THE LIMITS ON FOREIGN EXCHANGE TO CHILEAN TOURISTS WILL SHIFT SOME OF FOREIGN EXCHANGE DEMAND NOW BEING SATISFIED IN BLACK MARKET TO CENTRAL BANK. SINCE IT IS CONTINUING WITH ITS PAYMENTS LIBERALIZATION PROGRAM, GOC APPARENTLY FEELS THAT ANY BOP PROBLEMS LIKELY TO ARISE IN THE NEAR FUTURE CAN BE HANDLED BY EXCHANGE RATE POLICY. END LIMITED OFFICIAL USE.POPPER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ESCUDO, FOREIGN EXCHANGE RATES, DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SANTIA05901  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740274-0239  
**From:** SANTIAGO  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t1974097/aaaaafti.tel  
**Line Count:** 69  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
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30 JUN 2005

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEVALUATION OF EXCHANGE RATE BEGIN UNCLASSIFIED  
**TAGS:** EFIN, AFSP, CI  
**To:** STATE  
**Type:** TE  
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